



# USAID



The United States Agency for International Development






## Coffee Crisis Response Presentation February 6, 2002



# Overview

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-  **LAC is proposing an initiative to address the coffee price crisis**
-  **Private firms are being enlisted to form a strategic alliance with USAID and non-profits to jointly plan and implement initiatives**
-  **Corporate support may take many forms, including financial and in-kind contributions, depending on the initiatives and corporate preferences for participation**

# USAID's Global Development Alliance

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 **Secretary of State Colin Powell introduced the Global Development Alliance in May, 2001, stating to Congress:**

**“The Bush Administration intends to address the new development assistance demands of a globalizing world by concentrating USAID resources and capabilities in a more effective method of delivery. We are calling this new approach the Global Development Alliance.”**



# USAID's Global Development Alliance

## What is it?

- 📌 **An important business model for USAID to implement its development assistance mandate**
- 📌 **Serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America, and others in support of shared objectives**

## Why is it necessary?

- 📌 **Responds to a changing global environment, and changing roles for government, business and non-profits**
- 📌 **Increases USAID's reach and effectiveness in meeting development objectives**
- 📌 **Encourages new partners in development activities**
- 📌 **Improves the quality of existing partnerships**





## What is an alliance?

- 📌 **An agreement between USAID and other parties to jointly define a development problem and jointly contribute to the solution**
- 📌 **Alliance partners share resources, risks and rewards in pursuit of a strategic objective that neither of the parties would be likely to achieve without the help of the other parties**



# Potential Contributions by Private Enterprise

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-  **Introduce leading practices in – efficient production, environmental protection and employment in the coffee sector**
-  **Invest in – technology transfer, employment generation and market development**
-  **Improve working conditions – by contributing to health and education services**
-  **Affect change – by utilizing buying power**

# LAC Coffee Alliance

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## **Vision:**

**Stable production and prices**

**Quality standards for improved caliber coffees**

**Improved quality of life for producers and their communities**

## **Benefits to Private Sector Partners:**

**Expanded production and post harvest quality control system**

**Stable supply of uniform and uniquely different coffees**

**Enhanced triple bottom line effect**

## **Benefits to U.S. and Developing Countries:**

**Reduced poverty in coffee growing regions**

**Economic and political stability**

**Reduced migration**



# Opportunities for Joint USAID – Private Sector Initiatives

Joint sector activities addressing the following can contribute to mitigating the worldwide coffee crisis:

## **Quality Issues**

- Improved technology and management
- Commercial and specialty certification programs
- Regional classification programs
- International cupping standards
- Improved processing and verification

## **Business Development and Marketing Issues**

- Certified professional skills training programs
- Marketing information and marketing distribution channels
- Mechanisms to support longer-term contract buying
- Regional quality labeling and marketing programs
- Trade financing

## **Diversification Issues**

- Non-traditional agricultural exports; non-agricultural activities
- Workforce development – vocational trades

